

BANFF OIL LTD.

6TH FLOOR, CALGARY HOUSE
550 SIXTH AVENUE S.W.
CALGARY 1, ALBERTA, CANADA

NOTICE OF ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

APRIL 30, 1969

TAKE NOTICE that the Annual General Meeting of the Shareholders of Banff Oil Ltd. will be held in the Board Room at the Head Office of the Company, Calgary, Alberta, Canada, on April 30, 1969 at 10 o'clock a.m. (M.S.T.) for the purpose of receiving and considering the Report of the Directors of the Company, the Financial Statements and Auditors' Report thereon, electing Directors of the Company, appointing Auditors, and transacting such other business as may properly be considered at the meeting.

Shareholders of the Company of record at the close of business on April 7, 1969 are the only shareholders entitled to notice of or to vote at the Meeting.

If you are not able to be present at the said Meeting, kindly sign and return the enclosed Proxy, which must be deposited at the offices of Montreal Trust Company, 522 Eighth Avenue S.W., Calgary 2, Alberta, Canada, not less than twenty-four hours before the time fixed for the said Meeting.

DATED at Calgary, Alberta this 25th day of March, 1969.

By Order of the Board of Directors,

R. C. DOWELL,
Secretary.

PROXY STATEMENT AND INFORMATION CIRCULAR

This Statement and Information Circular is furnished in connection with the solicitation by the management of Banff Oil Ltd. of proxies to be used at the Annual General Meeting of the Shareholders of the Company to be held on April 30, 1969, at the place and time and for the purposes set forth in the Notice of Meeting accompanying this Proxy Statement and Information Circular. Except as otherwise noted, the information contained herein is given as of December 31, 1968.

SOLICITATION OF PROXIES

The enclosed Proxy is solicited by and on behalf of the management of the Company. All expenses in connection with this solicitation of proxies will be borne by the Company. Solicitation will be by mail or by regular employees of the Company.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of Proxy are directors and two are also officers of the Company. **The Shareholder has the right to appoint a person to represent him at the meeting other than the persons designated in the enclosed form of Proxy.** Such right may be exercised by striking out the names of the persons named in the enclosed form of Proxy and inserting the name of the Shareholder's nominee in the space provided, or by completing another proper form of Proxy, and, in either case, delivering the Proxy to the Secretary of the Company, c/o Montreal Trust Company, 522 Eighth Avenue S.W., Calgary 2, Alberta, Canada not less than twenty-four hours before the time fixed for the meeting. Any person or company giving such Proxy has the power to revoke it and may do so either by signing another proper form of Proxy bearing a later date, and delivering it to the Secretary of the Company at the address and within the time limit shown above or by signing written notice of revocation and delivering the notice of revocation to the Company at its head office at any time up to and including the last business day preceding the day of the meeting or to the Chairman of the meeting on the day of the meeting.

VOTING OF SHARES REPRESENTED BY MANAGEMENT PROXIES

The shares represented by any Proxy received by the management will be voted, and where the person or company whose Proxy is solicited specifies in the form of Proxy a choice with respect to any matter identified therein, the shares shall, subject to Section 128g of The Companies Act (Alberta) be voted in accordance with the specification so made. **In the absence of the specification of a choice by such means, it is intended to vote the shares represented by the Proxy for the approval and adoption of the report of the directors and the financial statements for year ended December 31, 1968 and the report of the auditors thereon.**

Unless authority to vote is withheld, it is also intended that the shares represented by proxies received by the management shall be voted for the election of the directors and for the appointment of the auditors set forth under the headings in this Proxy Statement and Information Circular.

In case the address of a shareholder signing a Proxy appears on the records of the Company to be in the United States, the Proxy will not be used in connection with any vote on the report of the directors or on the financial statements of the Company and the report of the auditors thereon.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As at the close of business on February 25, 1969 there were issued and outstanding 5,330,759 common shares with a nominal or par value of 50c each, each such share being entitled to one vote. To the knowledge of the directors and senior officers of the Company, Aquitaine Company of Canada Ltd. is the only person or company which beneficially owns, directly or indirectly, equity shares carrying more than ten per cent of the voting rights attached to all equity shares of the Company. Aquitaine Company of Canada Ltd. beneficially owns directly or indirectly 2,331,922 common shares of the Company which represents approximately 44% of the outstanding equity shares of the Company.

The Articles of Association of the Company provide that two members personally present and entitled to vote, holding or representing by proxy 5% of the outstanding shares entitled to vote, shall constitute a quorum for meetings of shareholders.

Pursuant to the Articles of Association, the Board of Directors has fixed April 7, 1969 as the record date for the determination of shareholders entitled to notice of, and to attend and vote at the said meetings.

ELECTION OF DIRECTORS

Action will be taken at the Annual General Meeting upon election of directors of the Company to hold office until the next Annual General Meeting of the Company or until their successors are elected or appointed.

The persons named in the enclosed form of Proxy intend to vote for the election of the nominees whose names are set forth below.

Name and principal occupation or employment during the past five years and name and principal business or organization in which such occupation or employment is carried on	Has served as Director since	Approximate number of common shares of Company beneficially owned directly or indirectly as of February 26, 1969
*JOHN C. RUDOLPH – President of Banff Oil Ltd. since June 19, 1961	January 14, 1960	287
*RONALD J. WHITE – Vice-President of Banff Oil Ltd. commencing February 20, 1968. Prior to that was Senior Geologist of the Company from January, 1962 to December 1, 1963; Manager of Exploration until December 31, 1965; and Vice-President – Exploration until February 19, 1968	June 28, 1967	1,154
HAROLD W. MANLEY – Independent Oil Consultant since May 1968, formerly President and still Director of Jefferson Lake Petrochemicals of Canada Ltd., Calgary, Alberta	May 2, 1962	117
DONALD K. RUSSELL – Associate, Lehman Brothers (Investment Bankers), New York, N.Y.	January 2, 1963	1
JACQUES PAYAN – Assistant to the Foreign Exploration Manager, Societe Nationale des Petroles d'Aquitaine, Pau, France since August 25, 1968 and formerly Assistant Managing Director of Australian Aquitaine Petroleum Pty. Ltd., Brisbane, Australia	September 20, 1968	5(1)
*GILBERT RUTMAN – Vice-President of Exploration and Production, formerly Director of Foreign Operations Division, of Societe Nationale des Petroles d'Aquitaine, Pau, France. Also President of Aquitaine Company of Canada Ltd. since January, 1964	February 3, 1964	5(1)
*LOUIS PRADAL – Executive Vice-President and General Manager of Aquitaine Company of Canada Ltd., Calgary, Alberta	February 3, 1964	5(1)
LAURENT MICHEL – Vice-President of Paribas Corporation (Investment Bankers), New York, N.Y.	February 7, 1966	117
BRIAN DRUMMOND – Director of Greenshields Incorporated (Investment Dealers), Montreal, Quebec, since February, 1968. Has been with the same Company for over five years, first as Assistant Manager of the Underwriting Department in the Montreal office, then from May, 1964 to February, 1967, as Manager of the Calgary office and thereafter as Manager of Corporate Development in the Montreal office which position he still holds in addition to the directorship. Is also a Director of Atco Industries Ltd.	New Nominee	1

* Denotes member of Executive Committee.

(1) Aquitaine Company of Canada Ltd. ("Aquitaine") holds, directly or through a wholly-owned subsidiary, 2,331,922 Common Shares of the Company, being approximately 44% of the outstanding shares of the Company. Aquitaine is (a) a corporation actively engaged in the exploration and production of petroleum, natural gas and associated substances, incorporated under the laws of Canada, (b) is controlled by Societe Nationale des Petroles d'Aquitaine (S.N.P.A.), a corporation engaged in exploration, production and sale of petroleum, natural gas and associated substances and the production of plastics, incorporated under the laws of the Republic of France. S.N.P.A. holds 93.3% of the issued shares of Aquitaine. S.N.P.A. is controlled by Enterprise de Recherches et d'Activites Petrolières, a French Government Agency, which holds 50.993% of the issued shares of S.N.P.A.

On March 4, 1964, the Company and Aquitaine entered into an agreement, effective for the period January 1, 1964 to December 31, 1964, pursuant to which the Company agreed to act as an independent contractor to explore for and develop oil and gas reserves and to recommend participation in certain oil and gas prospects. The Company reserves the right to participate to the extent of 50% of the combined Banff-Aquitaine interest in projects in Manitoba, Saskatchewan and Southern Alberta and to the extent of 10% of the combined Banff-Aquitaine interest in other areas of Canada. The higher cost and greater risk associated with projects in areas outside Manitoba, Saskatchewan and Southern Alberta restricts the Company's participation in such areas. Substantially similar agreements have been entered into annually since 1964, the most recent having been entered into January 1, 1968. Under this series of agreements, Aquitaine has agreed to pay a share of certain of the Company's administration expenses which payment in 1968 amounted to \$2,350,131. The purpose and result of these agreements was to permit the Company to employ an increased staff for more diversified exploration in higher rate of return areas.

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS AND STOCK OPTIONS

The expression "senior officer" used herein conforms with the definitions in the Securities Acts of Alberta and Ontario and includes two senior Department Managers who are not "officers" as defined in the Securities Act of the United States. Directors who are not officers of the Company are not eligible to participate in any of the employee benefit plans and do not hold any options.

During the fiscal year December 31, 1968, no officer or director of the Company received aggregate remuneration from the Company in excess of \$30,000 except Mr. J. C. Rudolph and Mr. R. J. White whose total remuneration was \$52,492 and \$32,500 respectively. Additional information with respect to remuneration paid to directors and senior officers during the year follows:

Name and Position	Aggregate direct remuneration	Company's Contribution under retirement plan	Estimated Annual benefits under retirement plan ⁽¹⁾
J. C. Rudolph, President	\$ 52,492	\$1,500	\$22,582
R. J. White, Vice-President	32,500	1,428	19,360
All senior officers (7) and directors (9) as a group, including Mr. J. C. Rudolph and Mr. R. J. White	205,394	7,844	97,596

⁽¹⁾ Estimated on the basis of retirement plan contributions made by the Company and the employee and assuming continued employment at present salary with Company to retirement at age 65.

The following table sets forth information as to options to purchase common shares of the Company granted since the commencement of the Company's last completed fiscal year and the options unexercised as at February 25, 1969.

Name of individual or group	Options granted	Date granted	Option price	Expiration date	Consideration received	Price range of shares in 30 day period prior to grant	
						High	Low
J. C. Rudolph	6,000	March 26, 1968	\$10.625	March 1972	Nil	\$15.00	\$10.50
R. J. White	5,000	March 26, 1968	10.625	March 1972	Nil	15.00	10.50
All directors (nil) and senior officers (4) other than J. C. Rudolph and R. J. White	11,000	March 26, 1968	10.625	March 1972	Nil	15.00	10.50
All other employees (35)	52,750	March 26, 1968	10.625	March 1972	Nil	15.00	10.50

No options were exercised during 1968. In addition to the foregoing, five employees holding options left the employ of the Company during the year with the result that their options, totalling 8,250 shares, automatically expired. A total of 26,339 shares remain reserved for grant of future incentive stock options to employees, including officers, of the Company at the discretion of the directors. One option for 1,089 shares granted to an employee in 1966 expired unexercised in October, 1968.

The option price for all options granted by the Company has been the closing market price on The Toronto Stock Exchange on the date of the granting of the option.

The Company has established a contributory Retirement Plan, first effective on January 1, 1960, as a trustee plan. The current Company policy allows all employees to be eligible to join the Plan on the date of employment or the first of any month thereafter. For the year ended December 31, 1968, the Company contributed a total of \$82,012 to the Retirement Plan, including \$7,844 for the benefit of senior officers and senior officer-directors. All such contributions were for current services. The Company's contributions are limited to 5% of the employees' earnings or \$1,500 per year whichever is the lesser and vest in the employee after ten years or on retirement, whichever is earlier.

The Company also maintains an annual trustee Employee Investment Purchase Plan which first became effective January 1, 1967, available to all employees, including senior officers and senior officer-directors. Each employee may elect whether his contribution, from 2% to 5% of salary, will be invested in common shares of the Company or in Canada Savings Bonds. The Company contributes an amount equal to 50% of the amount contributed by an employee with less than one year of service with the Company and increasing by 10% each year, so that after five years of service the Company's contribution will reach a maximum equal to the contribution of the employee. The contribution of the Company is invested by the Trustees only in common shares of the Company. Purchases are made by the Trustees of the Plan on the open market each month, at the discretion of the Trustees. The Company estimates that monthly purchases of such shares have not exceeded 1.02% of the average monthly volume of such shares traded on The Toronto Stock Exchange in the year 1968. Purchases made with the employee's contribution will be distributed at the end of each plan year; shares purchased by the Company's contribution will not vest until three years after the beginning of any plan year.

For the 1968 plan year, \$1,750 of Canada Savings Bonds and 8,490 common shares of the Company have been purchased, of which 1,048 common shares were purchased for the account of senior officers and senior officer-directors of the Company including 310 purchased for Mr. J. C. Rudolph and 167 for Mr. R. J. White.

RECEIVING AND CONSIDERING THE REPORT OF THE DIRECTORS, ETC.

The Report of the Directors of the Company and the Financial Statements and Auditors' Report are enclosed herewith and will be presented to the Meeting.

Approval of the Directors' Report and Financial Statements and Auditors' Report requires the affirmative vote of a majority of the shares, as being entitled to be voted, are voted in person by the shareholders or by proxy at the Meeting.

APPOINTMENT OF AUDITORS

Unless otherwise instructed the persons named in the enclosed form of Proxy intend to vote the shares represented by such proxies for the re-appointment of Price Waterhouse & Co., Chartered Accountants, Calgary, Alberta, as Auditors of the Company to hold office until the next Annual Meeting of Shareholders and to authorize the board of directors to set their remuneration. Price Waterhouse & Co. were appointed Auditors of the Company on April 29, 1966. The Company knows of no relationship between Price Waterhouse & Co. or any of its associates and the Company or any of its associates.

OTHER BUSINESS

While there is no other business than that mentioned above to be presented for action by the shareholders at the Annual General Meeting, it is intended that the Proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.

DATED this 25th day of March, 1969, Calgary, Alberta, Canada.

By Order of the Board,

R. C. DOWELL, Secretary

The Company may, however, at any time, by resolution, increase the number of the Directors or decrease the same, or change their powers, having a like effect upon the shareholders with reference to dividends and profits hereinafter paid, and requiring notice to all stockholders.

Dividends may be paid out of the net assets of the Company, and shall not be paid out of capital, except in accordance with the laws of the Province of Alberta.

Dividends shall be paid quarterly, or at such other times as the Board of Directors may determine.

The Company will pay dividends to its shareholders on January 1, 1969, and thereafter annually on January 1st, unless the Board of Directors shall otherwise determine. At the time of incorporation, the Company authorized \$100,000.00 in shares of \$100.00 par value, and since January 1, 1969, has issued 1,777,000 shares of common stock, after the year end dividend.

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